



LICENSE REQUIREMENTS FOR LIMITED LICENSE

A residential home builder who contracts directly with a home owner to perform construction that requires only a single trade and that does not affect the structural integrity of the residence, when the total cost of the undertaking exceeds \$10,000, is required to hold a residential home builders license; however, rather than holding a residential home builders license without limitation, he or she may hold a residential home builders license with limitation (a limited license).

ACCORDING TO ALA. CODE § 34-14A-2:

“One who constructs a residence or structure for sale or who, for a fixed price, commission, fee, or wage, undertakes or offers to undertake the construction or superintending of the construction, or who manages, supervises, assists, or provides consultation to a homeowner regarding the construction or superintending of the construction, of any residence or structure which is not over three floors in height and which does not have more than four units in an apartment complex, or the repair, improvement, or reimprovement thereof, to be used by another as a residence when the cost of the undertaking exceeds ten thousand dollars (\$10,000). Nothing herein shall prevent any person from performing these acts on his or her own residence or on his or her other real estate holdings. Anyone who engages or offers to engage in such undertaking in this state shall be deemed to have engaged in the business of residential home building.”

ACCORDING TO ALA. ADMIN. CODE R. 465-X-1-01(10):

“The term “repair, improvement, or reimprovement” as used in Code of Ala. 1975, § 34-14A-2(10) shall mean engaging in the business of residential homebuilding by contracting directly with a homeowner to perform construction on a residence or structure, when the cost of the undertaking exceeds \$10,000, and when the construction does not affect the structural integrity of a residence or structure, and does not involve more than one trade. Repair, improvement, or reimprovement does not include construction activities performed by persons who are otherwise licensed and regulated by the State of Alabama and who are operating within the scope of their respective licenses on behalf of clients.”

ACCORDING TO ALA. ADMIN. CODE R. 465-X-3-.04(2):

Licenses may be issued with or without limitation. The extent to which a residential home builder may engage in the residential homebuilding business depends upon the type of license held.

A residential home builder who holds a current and valid residential home builders license with limitation may only engage in the business of residential home building, as referred to in Ala. Code § 34-14A-2(10), when the scope of the construction is limited to the repair, improvement, or reimprovement, as such term is defined herein, of a residence or structure.

LICENSE FORMS

The extent to which a residential home builder may engage in the residential home building business depends upon the form of license held. Licenses will be issued only to individuals, partnerships, corporations, limited liability companies, and non-profit organizations.

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DESIGNATED QUALIFYING REPRESENTATIVE

1. **Individuals** applying for a license personally must satisfy all of the licensure requirements including experience and ability.
2. **Partnerships, corporations, limited liability companies, and non-profit organizations** must designate a qualifying representative who must satisfy the experience and ability requirements for licensure. The Designated Qualifying Representative (DQR) must be a general **partner** if the applicant is a partnership, an **officer** if the applicant is a corporation, a **member** if the applicant is a member-managed limited liability company, or a **manager** if the applicant is a manager-managed limited liability company.

INSTRUCTIONS

1. APPLICATION

All applicants must file an accurate, complete and notarized application for license with the Board.

2. BUSINESS-RELATED FINANCIAL REQUIREMENTS

All applicants must order a business-related credit report, including a public records search, to be submitted directly to the Board by a credit reporting agency. An applicant whose application is pending for more than 90 days may be required to file an updated credit report. An order form is enclosed for your convenience.

3. FEES

The annual license fee is \$250.00. A non-refundable \$100.00 new license application processing fee must also accompany applications for a new limited license. Please make checks in the amount of \$350.00 payable to the Home Builders Licensure Board. The Board accepts personal or company checks, cashier's checks, certified checks, or money orders. The Board does not accept cash or payments by credit card. **All fees must be paid before the application is processed.** Upon written request, the annual license fee will be refunded in the event an application is rejected or denied.

4. EXPERIENCE AND ABILITY

All applicants will be required to satisfy the experience and ability requirement prior to licensure, as set out in Section 3 on the application for a new limited license for individuals and in Section 4 on the application for a new limited license for corporations. Choose one means by which you will satisfy the requirement, and attach the documentation required on the application, i.e., building permit(s), home owner affidavits, current license issued by a jurisdiction in this state which requires testing, contracts, or a business/occupational contractor's license issued by a municipality, township, or county in this state.

APPLICATION CHECKLIST

- Application Completed, Signed and Notarized
(Corporation, partnership and limited liability company applications must have signatures notarized in both Sections 7 and 8.)
- Check, cashier's check, certified check, or money order in the amount of \$350.00 made payable to Home Builders Licensure Board enclosed. The Board does not accept cash payments or credit cards.
- Ordered Business-Related Credit Report
- Attach Certificate of Good Standing from the Alabama Department of Revenue if a corporation, limited liability company, or limited partnership.
- Attach Certificate of Existence from the Alabama Secretary of State if a foreign (out-of-state) corporation, limited liability company, or limited partnership.
- Attach a copy of the Articles of Incorporation, Partnership Agreement, or Articles of Organization, WHICH HAVE BEEN FILED WITH THE PROBATE JUDGE, if a corporation, limited liability company, or limited partnership. Additionally, if applying as a corporation, attach a separate listing of officers, i.e., copy of signed minutes, amendment to articles, or other signed document reflecting the current officers.